

18 March 2025

ASX RELEASE

Cloncurry Project Update – Orion Resources’ plans for early gold production gain momentum

AuKing Mining Limited (ASX: AKN, AuKing) is pleased to provide an update on the Cloncurry Gold Project in northern Queensland, as Orion Resources Pty Ltd (“Orion”) takes significant steps to re-commence gold production. This is an important update as AuKing has the right to acquire 50% of the shares in Orion through expenditure of \$5M by 30 June 2027 (see ASX release 4 March 2025).

HIGHLIGHTS

- **Nearing completion of Cloncurry asset acquisition:** Orion’s proposed acquisition of the Lorena plant, together with 20 mining and exploration licences comprising the Cloncurry Gold Project is progressing towards completion. Orion has recently received indicative approvals from the Department of Natural Resources and Mines for the transfer of the tenements and is working through the conditions and steps required for final approval.
- **Project operating team project planning and preparation:** In anticipation of completion of the Cloncurry Gold Project assets occurring, Orion’s experienced and core operations team and technical consultants have been assessing project ranking, verifying previous owner assumptions and technical models, and investigating project opportunities created by the high gold price environment. The intended outcome from this process is an operations plan aimed at maiden Reserve delineation, with the lowest technical and financial risk profile and a focus on cash flow as the guiding principle. Orion will make a production decision upon completion of a Feasibility Study.
- **Adoption of strategic and operating plans:** Orion’s management has established Strategic and Operating Plans aimed at project management, business development, operations and exploration. This is a complex business model and from the start there will be a focus on core management systems including people, planning, execution, and continuous improvement. The Operating Plan to resume mining and processing operations at Cloncurry include:
 - A phased approach to generate growth in the size and scale of open-pit resources by systematically drilling beneath and adjacent to historical open-pit mines and then assessing underground potential and greenfield discoveries;

- A focus on strong financial returns by refurbishing existing plant and infrastructure and keeping capital investment costs low;
 - Where possible, developing mines and processing ore where regulatory approvals are already in place or readily obtainable;
 - Consolidation of ownership and control of key operating assets; and
 - Capitalising on the current high gold price environment.
- **Proposed Mt Freda mining re-commencement:** The re-commencement of mining operations at Mt Freda is a primary focus, after completion of additional resource definition drilling to increase confidence in the ore body outlines and expected grades. The updated resource model will form the basis of a feasibility study aimed at delineating a maiden Reserve at Mt Freda. The intended objective of the drilling program currently being designed is to elevate as much of the existing Inferred Resource to Measured and Indicated, and to subsequently re-optimize the mine design to take advantage of higher metal prices, thereby potentially increasing the optimized pit size.
 - **Near-term cashflow opportunities:** The potential to commence early processing of tailings and ore stockpiles at the Tick Hill mine are the subject of an initial technical assessment that is near completion. Orion has been reviewing the previously published 2020 prefeasibility study and Reserve to update the baseline economics and technical assumptions for this project.
 - **Assessment of regional exploration potential:** Planning has commenced on development of a regional project pipeline. This will include presentation of possible portfolio solutions including sale of tenure, JV non-core ground and strategic alliances with other companies for exploration purposes and toll milling. Specific early focus will be on the Lorena deposit (Open Pit / Underground, tailings) and Mt Scheelite.

AuKing's Managing Director, Mr Paul Williams, said that the latest update from Orion management demonstrates their focus on re-establishing gold production activities at the Cloncurry Gold Project as soon as possible, but to do so in a carefully-planned and strategic manner, employing the industry standard stage-gate process.

"The Orion management team have clearly identified the steps required to re-establish gold production operations at Cloncurry. However, importantly, this exercise continues to establish the potential to create significant project value. AuKing has the opportunity to acquire a 50% interest in Orion and share the benefits in this value creation with its own shareholders," said Mr Williams.

Orion acquisition of Cloncurry Gold Project and AuKing 50% Rights

Orion has entered into an asset sale agreement ("**ASA**") to acquire the existing Lorena processing plant and associated facilities, situated approximately 15 kms east of Cloncurry in northern Queensland, together with various exploration and mining tenements in that area. The Lorena plant is a conventional carbon in leach gold processing facility. In addition, Orion

has acquired under the ASA additional exploration and mining tenements approximately 30kms to the south of the Lorena plant, described as the “Mt Freda/Golden Mile Project”. The overall tenure package being acquired by Orion covers an area of 447km² in the Cloncurry Region. The ASA is scheduled for financial close in April 2025.

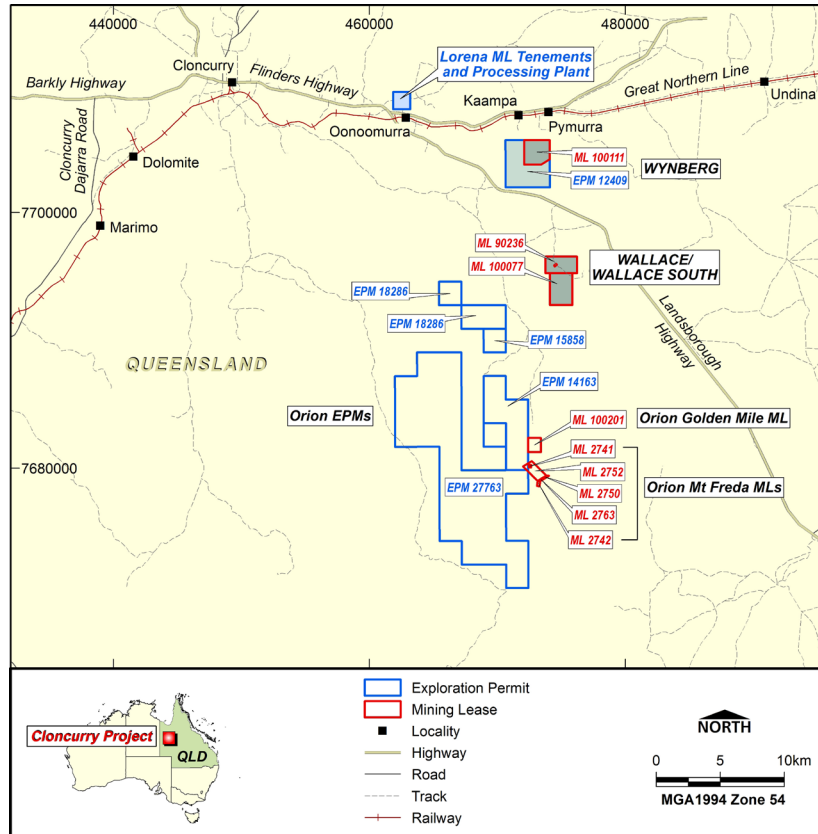


Figure 1 – Orion’s Cloncurry Gold Project interests, including the Mt Freda/Golden Mill mining leases. [Note the nearby Wynberg and Wallace/Wallace South gold projects are not assets being acquired by Orion]

As announced to ASX on 4 March 2025, AuKing has an agreement with Orion making provision for AuKing to earn up to a 50% interest in the Cloncurry Gold Project (via shares in Orion) in accordance with the following key terms:

- AuKing will have the right to earn a 50% interest in the total package of assets (comprising the Cloncurry Gold Project) that are being acquired by Orion by spending \$5M on Cloncurry Gold Project development activities, including proposed exploration, drilling and resource estimation work at Mt Freda/Golden Mile on or before 30 June 2027.
- AuKing will be involved in the various aspects of project development based around the Lorena plant as well as the resource development funding for the proposed Mt Freda/Golden Mile mining operation.
- On completion of the AuKing earn-in, an incorporated Joint Venture will be established with AuKing holding a 50% shareholding interest in Orion.
- In the event of AuKing failing to meet the \$5M expenditure amount, its interests in the Cloncurry Project will lapse.

Orion Leadership Team and Strategic Planning

In advance of Orion's proposed acquisition of the Cloncurry Gold Project, efforts have been made to enlist suitably qualified mining, geological and minerals processing personnel. They will oversee operational aspects of the proposed restart of gold mining and processing activities. The team have many years of experience and success in building and operating mines across various regions, including both gold and copper mines, and have a history of working together effectively.

In addition to the project team, Orion has adopted a strategic plan for future operations that includes the following four key features:

1. Ensure Orion is a company that will deliver its exploration and mining objectives on time and on budget through an appropriate business structure, competent personnel and a data-driven culture.
2. Commence mining and selling of minerals for profit by the most expedient means available whether through development of current projects, JV or acquisition.
3. Commit to continual improvement in corporate social responsibility, environmental, health and safety performance to establish and maintain an excellent corporate reputation.
4. Carry out ongoing geological, technical, and economic ranking of projects and prospects within the region to direct appropriate investment, reduce exploration risk, and build value in the project pipeline for shareholders.

Orion's strategic planning process has identified several key features that underscore the potential for the Cloncurry Gold Project to become a successful operation in the near term and provide a contrast to previous ownership activities with these project interests:

- **Low CAPEX:** a significant amount of the processing infrastructure and permitting approvals already exists at Lorena. Furthermore, deposits such as Mt Freda, Golden Mile, Tick Hill and Lorena are situated on existing approved mining leases.
- **Significant volume of existing project studies:** the existing Resource models and scoping/feasibility studies conducted by previous owners provide a robust basis (with additional targeted drilling and other work) to support the economic potential of the various projects being acquired.
- **Consolidation of control/ownership over Cloncurry assets:** Orion's proposed acquisition of the Cloncurry Gold Project has been structured in such a way that all assets are being acquired on an unencumbered and 100% basis. Never before has there been an opportunity to secure this portfolio of gold mining, production and exploration assets under the one owner. Historical issues and disputes among joint venture partners and complex ownership relationships will not be a factor for Orion management.
- **Strong Gold Price:** with the gold price touching record levels of US\$3,000 (A\$4,800) per oz, there has never been a more conducive time for gold production – especially in Australia. Whether these gold price levels are sustained into the future remains

uncertain. However, all of the existing scoping and feasibility studies that are available with respect to the Cloncurry Gold Project rely on gold pricing assumptions that are substantially lower than the current levels – thereby providing confidence that these studies can continue to be financially reliable.

Mt Freda Mining Re-commencement

Orion is developing a pathway to re-establish mining and processing operations at the Cloncurry project with a primary focus on restarting mining at the Mt Freda deposit. From 1987 to 1991, the Mt Freda open-cut operation was the flagship of ASX-listed company initially run by Diversified Mineral Resources NL, producing around 30,000oz per annum at an average grade of 4 grams per tonne. (Source: *Mining.com.au* Article, 28 August 2019 by Christopher Norris).

On 4 March 2021 Ausmex Mining Group Limited (ASX: AMG) reported an upgraded mineral resource for the Mt Freda deposit (as shown in Table 1 below). The remaining Mt Freda resources below the historical open pit are controlled in their lateral and vertical extents by a geological model. This model was created from lithological descriptions and geochemical data collected from holes drilled by various explorers since the 1980s.

RL	Material	Indicated			Inferred			Total			Cut-off (g/t Au)
		Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	
≥160	Oxide	234,000	2.95	22,100	103,000	2.4	7,900	337,000	2.78	30,000	0.5
	Fresh	146,000	2.29	10,700	40,000	1.85	2,400	187,000	2.19	13,200	
<160	Oxide	155,000	3.57	17,700	126,000	2.57	10,400	280,000	3.12	28,100	1.0
	Fresh	78,000	2.66	6,700	124,000	2.01	8,000	202,000	2.26	14,700	
	Total	613,000	2.91	57,300	393,140	2.27	28,700	1,006,000	2.66	86,100	-

Table 1 – Mt Freda mineral resource estimate (Refer AMG release to ASX 4 March 2021)

As part of its recommencement strategy, Orion management has access to a 2023 Scoping Study prepared by an industry-recognised exploration and mining consulting group. Key recommendations of this Study include:

- additional resource definition drilling at Mt Freda to increase the confidence of the ore body outlines and expected grades;
- further metallurgical studies;
- detailed pit, waste dump and other infrastructure designs;
- dilution study and equipment selection;
- environmental and legal factors,

all of which will form part of project feasibility study to be completed later this year.



Figure 2 – Overhead view of the Mt Freda open pit and associated infrastructure.

Near-term Cashflow Opportunities – Tick Hill

Situated 120kms south-east of Mount Isa, Tick Hill was one of the richest gold deposits in Australia. Total production from the resource was 665,000t @25g/t (534,000 ounces) from August 1991 to February 1994.

On 5 June 2020, previous owner Carnaby Resources Limited (ASX:CNB) announced details of a Pre-Feasibility Study and a Maiden Ore Reserve confirming a technically and economically viable mining and toll treatment project for the Tick Hill Gold project.

AuKing has entered into a binding MoU with both Orion and the current owner of the Tick Hill mine, Tick Hill Mining Pty Ltd. The MoU represents a general agreement for these three parties to collaborate with the combined aim of carrying out the following:

- Conducting a study to assess the viability of processing the tailings and other ore materials from the Tick Hill mine area at the Lorena processing plant (with a focus on process flow, metallurgy, capital and operating costs);
- Assessing the extent of refurbishment and construction modifications required at Lorena to support Tick Hill processing;
- Upon confirmation of positive economics, commence plant refurbishment and construction; and

- Finalise commercial parameters for the processing of the Tick Hill materials.

The CNB 2020 PFS provides the baseline for future study work with specific focus on updating cost and revenue inputs with the Lorena Plant as the processing destination.

Regional Exploration Potential

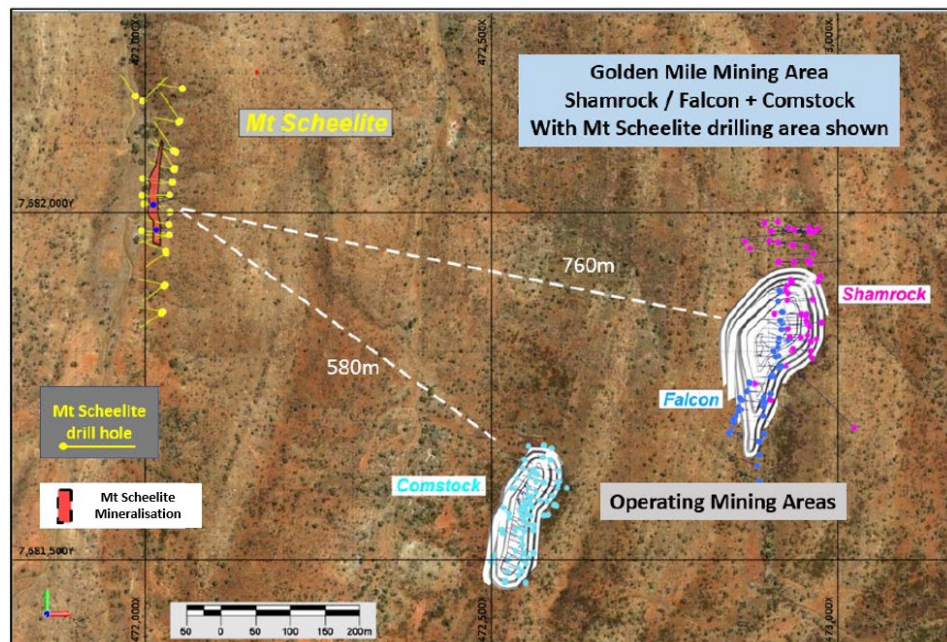
The primary near-term focus of the Orion project team will be the conduct and assessment of Resource definition work. However, the recent discovery of technical reports by Orion's team has established the potential for:

- Recovery of gold and other metals from the existing tailings at the Lorena processing site;
- Extension of the historical Lorena open pit (both by way of additional open pit and underground mining); and
- Establishment of a significant gold resource at Mt Scheelite. Results from a 2021 drilling program included:

MS22DD001 15m @ 6.96g/t Au from 28m including

- 6m @ 7.41g/t Au from 28m
- 5m @ 11.20 g/t Au from 37.5m, including
- 2.5m @ 15.54 g/t Au from 40m

[See ASX release 21 November 2022 by Tombola Gold Limited (TBA)].



ASX Disclosure re Historical Exploration Results

This ASX release contains information derived from public disclosures of Ausmex Mining Group Limited (ASX:AMG) and Tombola Gold Limited (ASX:TBA), both former owners of the Lorena/Mt Freda/Golden Mile project areas. In accordance with ASX disclosure requirements the following additional matters need to be noted:

- The historical mineral resource estimates and drilling results reported in this release were made by a company other than AuKing namely, Ausmex Mining Group Limited and Tombola Gold Limited – companies that were listed (at the time) on the ASX;
- Copies of the historical resource estimates and drilling results can be obtained from the ASX announcements platform;
- The historical mineral resource estimate and drilling results at Mt Scheelite were reported under the requirements of the JORC Code 2012;
- AuKing's Competent Person believes that it is reasonable to rely on the resource estimate and drilling results in the manner presented in this release;
- AuKing intends (from now on) to report its own exploration results after the conduct of planned activities in accordance with the JORC Code 2012, utilizing historical data as a general background rather than the basis for future reporting;
- Details of the proposed future activities and funding of those activities are set out elsewhere in this release;
- A statement by Mr Chris Bittar, Competent Person is set out below;
- A cautionary statement in relation to the historical exploration results included in this release is set out above; and
- AuKing has no other reason to suspect that the historical mineral resource estimate as reported in this release are misleading.

This announcement has been authorised by Paul Williams, Managing Director, AuKing Mining Limited.

For more information, please contact:

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Competent Persons' Statement

The information in this report that relates to historical mineral resource estimate at the Mt Freda Project and initial drilling results at the Mt Scheelite prospect is based on information reviewed by Mr Chris Bittar who is a member of the Australasian Institute of Mining and Metallurgy. Mr Bittar is an employee of AuKing Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Bittar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.